

DRUG STORE NEWS®

Vol. 11/No. 4 Our 61st year of serving chains, wholesalers and high-volume independents Published by Lebhar-Friedman Inc. Feb. 20, 1989

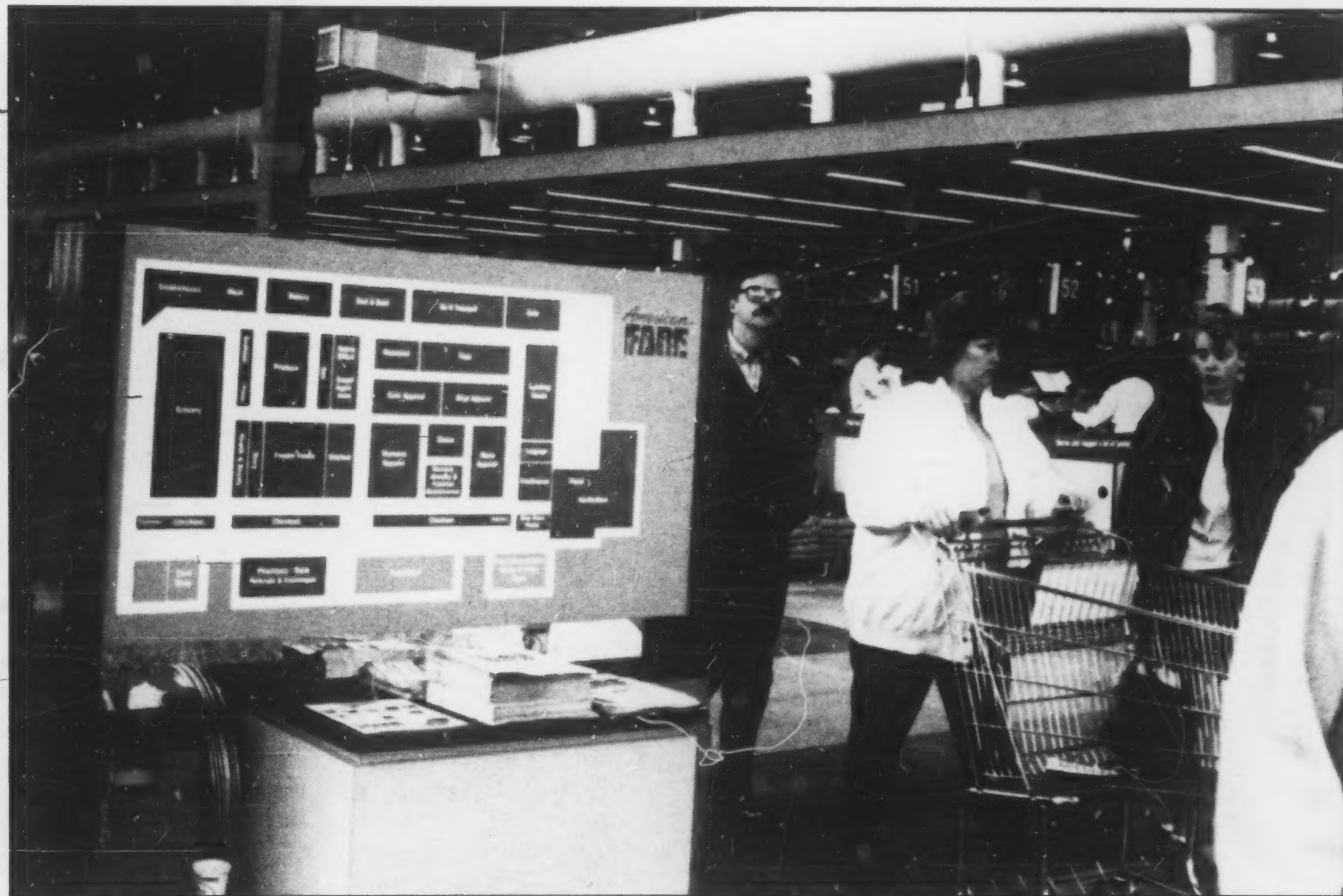


Photo: Discount Store News

Joint K mart-Bruno's hypermarket conveys value with service and everyday low prices on brands.

K mart-Bruno's American Fare storms Atlanta

By James Frederick
STONE MOUNTAIN, Ga.—The hypermarket phenomenon has hit the Atlanta market with a bang, as K mart and Bruno's unveiled their first American Fare in this suburban town northeast of the city. The opening culminates more than a year of effort by the discount and supermarket chains to jointly develop a hypermarket prototype for markets around the U. S.

A second American Fare



will open in Charlotte, N. C., late this year, K mart officials said.

In Atlanta, a massive advertising blitz in the weeks prior to the opening drew

See American, page 93

SDM's Binder: We consolidate in '89

New president eyes ops

By Susan Ball

TORONTO — Shoppers Drug Mart's newly appointed president, Herbert R. Binder, said 1989 will be a year of consolidation for the 613-store Canadian chain.

Coming off a period of rapid expansion and "the best year we've ever had," the chain will focus in operational directions "so that each store will maximize its profitability," Binder said. "That's not to say we won't still acquire and expand, but it will be at a slower pace in '89. We think there's more potential for each store—that we can get more from what we have. We want to step back a bit and see how to achieve that."

Characterizing 1988 as "an extremely active

acquisition year"—of the 45 new stores opened in the 11 months ended in November, 37 were acquisitions—he said, "We have a lot of new people in our system, and we have to help train them" at SDM's training unit, the "Koffler Academy," named after the company's founder.

SDM will also focus on "better use of capital," Binder said, noting that about 40 percent

See Binder, page 93



Herbert R. Binder

Peoples cites stores making biggest gains

Streamlined chain eyes the future

By Al Heller

NEW YORK — When progress isn't good enough, and quicker advances are needed, tough compromises have to be made.

For David Bloom, ceo of Imasco Drug Retailing Group, and David Eisenberg, chief operations officer of Peoples Drug Stores, the executive decision to sell 325 Peoples stores in three states came well after the chain's turnaround was under way. A broad range of improvements

News Analysis

in operations and merchandising had already taken hold and brought promise—but the numbers crunchers prevailed.

"We were saddened to have to sell valuable assets, which in the long term would have been solid contributors to our success," Bloom told *Drug Store News*. "It was a difficult decision to make because we have such confidence in our people. But in the short term, this is absolutely the right de-

See Peoples, page 93

LATE NEWS

• PONTIAC, Mich. — Perry Drug Stores officials said they knew of no reason for a rapid surge in the company's stock price in early February. Amid speculation that the company was in play, the company's stock price rose 3.5 points, to \$11, on Feb. 8. Spokesmen for Rite Aid and Walgreens, thought to have an interest in the chain, had no comment.

• NEW YORK — Walgreens said "We're looking at that area of Manhattan," when asked about a *New York* magazine report that they were a potential tenant for May's Department Store's shuttered flagship store at 14th Street and Broadway, being subdivided for new tenants. It would be Walgreens' second Manhattan store.

• COLUMBUS, Ohio — Drug Emporium said it has sold its minority interest in Nortex, its 11-store Dallas franchisee, back to the unit in a \$1.4 million cash deal. Proceeds from the sale would be reflected in results for the fourth quarter, ending Feb. 28, the chain said.

Arbor looks beyond its home market and heads north in expansion push

TROY, Mich. — Continuing its drive beyond its home market in southeastern Michigan, Arbor Drugs will push northward this year with the opening of its first stores in Saginaw and Midland.

The 83-store chain will open two units in Saginaw and one in Midland before the end of its current fiscal year July 31, 1989, said chairman and chief executive Eugene Applebaum. Two new units will also open this year in the Lansing area, which Arbor cracked for

See Arbor, page 93



'Consumers in these new markets are already familiar with Arbor through our advertising.'

— Eugene Applebaum
chairman, ceo

NEWS IN BRIEF

Revco names top pharmacy execs

TWINSBURG, Ohio — Revco D.S. has hired Brooks Drug veteran James Rotsart as vp-professional operations, and named longtime pharmacy executive Al Sebok to the new post of vp-professional relations.

Rotsart, 36, will head up the operation and professional standards of all Revco pharmacies, and will report to executive vp-stores Carl Bellini. He last served as vp-pharmacies for Brooks Drug's 358 drug stores, and spent the first nine years of his career as a store manager, pharmacy supervisor and divisional merchandise manager of pharmaceuticals for CVS.

Sebok, 57, has been with Revco since its acquisition of Standard Drug in 1961, holding numerous positions in pharmacy and store operations. In his new post, he will act as liaison with government agencies and NACDS, as well as pharmacist recruiting and the formulation of policies and programs. He will report to Rotsart.

Thrifty operating income jumps 35%

LOS ANGELES — Aided by its acquisition of 147 Pay 'n Save and Bi-Mart stores last June, Thrifty Corp. reported a 35 percent increase in operating earnings for fiscal 1988, to \$66 million. Sales for the chain drug division of Pacific Enterprises were \$2.4 billion for the year, a 30 percent hike over prior-year levels.

Same-store sales for the period rose 5.6 percent.

As of the end of the fiscal year on Nov. 30, 1988, Thrifty operated a total of 1,039 drug and sporting goods stores.

Employee benefits provision hits snag

WASHINGTON — At least two bills have surfaced on Capitol Hill which would repeal or delay enforcement of a controversial provision of the new tax law designed to curb discrimination in distribution of employee benefits.

At issue is "Section 89" of the tax code which is designed to determine if drug chains and other employers are allocating company benefits, such as health and life insurance plans, fairly among all eligible employees.

Specifically, the law requires an employer to conduct a series of complex tests to determine if executives in high income brackets are receiving more benefits than workers earning lower salaries. Furthermore, if discriminatory benefit patterns are uncovered, the employer must report the amount of excess benefits to the Internal Revenue Service. Employees who received discriminatory amounts would then be taxed on the value of the excess benefits. If the employer fails to report the discrepancies, he may also face I.R.S. penalties.

"No regulations have been issued to provide definitions and guidance for employers," said Rep. John J. LaFalce (D-N.Y.). The New York Democrat introduced a measure to repeal the employee benefit tax provision, arguing that "the extreme complexity of Section 89's testing requirements, the costly administrative burden it imposes and the lack of any formal guidance from Treasury makes it very difficult, if not impossible for employers to comply with the law."

The complicated tax provision has drawn strong opposition from business groups, including the National Association of Chain Drug Stores.

Salary, bonuses, perks still count: study

NEW YORK — Labor shortages and increased competition make it harder to keep the best employees. In order to stem manager turnover, retailers are using a variety of methods to evaluate and compensate store managers and assistants, according to a study by Big Eight accounting firm Touche Ross.

Base salary, bonuses and perquisites are the primary forms of compensation for store managers, the study showed. The poll results indicated that a manager's ability to attain company goals and standards will become more important in evaluating total pay and salary increases.

Bonuses, awarded by 75 percent of the companies polled, play a big role in determining manager compensation. Perquisites accounted for manager compensation in 26 percent of the companies polled. Commission compensation was an unpopular method of compensation.



Betty and Jim Evans of Evans Drug, Enid, Okla.



Alan Hamm, Town & Country Drug Stores, Ft. Worth, Tex. (left) with Paul "Ed" Matteucci, Drug Fair NW, Great Falls, Mont.



Keith Lumpkin, Horton & Converse, L.A. (left) with Jim Mastriani, Arthur Drug Stores, Hartford, Conn. and Gary Spielfogel, Austin Drugs, East Meadow, N.Y.



Bill Eames, Bill's Drug, Benicia, Calif. (left) with Ronald Ransdell, Thrifty/White, Minneapolis.

Hot Rx issues aired at NACDS small chain meet

SAN DIEGO — Several hot pharmacy issues took center stage at this month's NACDS Annual Small Chain Conference.

Many of the 65 retailers in attendance voiced concern over discriminatory pricing, third party freedom of choice and implications of Medicare's catastrophic health coverage insurance.

Retailers also spoke of ways to improve customer service and eroding margins.

Still, most are expecting a steady business environment through the rest of 1989. Executives forecast sales gains as high as 10 percent, and are buying in accordance with those expectations.



Steve Feinerman (left) and Edward Fox (right), of Parkway Drugs, Lincolnwood, Ill. flank Alan Levin, of Happy Harry's Discount Drug, Newark, Del.

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SPECIAL SAMI REPORT

Share differences seen for H&BAs in food and drug stores

Throughout the year this space has explored differences between food and drug stores, and examined variations between markets. Our exhibits this month compare size and trends, in food vs. drug stores, of the top 10 categories in annual retail volume for the year ended Dec. 2, 1988.

For this special analysis we've included the 52 H&BA categories which SAMI has tracked on a long-term basis, plus we've added two new categories for which more than a year of data are available: personal lubricants and home testing kits. We also added formula baby food, plus five paper product categories which are often associated with the H&BA department (adult incontinence products, disposable baby diapers, moist towelettes, sanitary napkins and tampons).

The accompanying table identifies the 10 H&BA product categories with the highest annual retail volume as of Dec. 2, 1988 in food stores only, drug stores only and food and drug outlets combined. The 52-week trend in dollars is shown for each category, as is the national dollar share level of the leading brand.

Only five of the top-ranking product categories fall into

Readers wishing a copy of the rankings for all 60 H&BA categories for food store, drug store or both outlets combined, may obtain a copy by sending a request (written on company letterhead and signed by a company executive) to: Warren Spence, vp H&BA Marketing, SAMI, 55 Greens Farms Road, Westport, Conn. 06880.



this select group in both food and drug stores: internal analgesics, toothpaste and powder, shampoo, cold remedies and antacids. In the case of the top two volume categories of H&BAs in food stores—disposable baby diapers and formula baby food—the food share of both outlets combined is more than 90 percent. Food stores account for more than 60 percent of the combined volume among sanitary napkins (75.2 percent), mouthwash (64.1 percent), cough remedies (56.7 percent), synthetic vitamins (62.5 percent) and hair coloring (73.1 percent).

Among the five categories which are common to both the food and drug store "hit parade," the leading brand in each instance has a higher share level in food stores. The best-selling internal analgesic enjoys an annual dollar share nearly five points higher than the drug store showing (33.0 percent vs. 28.1 percent). The differential is three full share points in the cold remedies category, but the leading brand is not the same in the two outlets. This latter finding also applies to the shampoo category, where the number-one brand in food stores is not the leader in drug stores.

Among antacids, the best-selling brand has a share of 19.2 percent in food stores whereas in drug stores there is a tie for first place between two brands commanding a

Top 10 H&BA categories in all 54 SAMI markets combined (Year ended Dec. 2, 1988)			
Rank	Category	52-Week Dollar Share Of The Leading Brand In Category	52-Week Change In Dollars
Drug Stores Only			
1	Internal Analgesics	28.1	+ 7.9
2	Cold Remedies	8.3	+ 6.6
3	Eye Care Products	14.9	+ 6.9
4	Antacids	11.9	+ 8.6
5	Laxatives & Stool Softeners	22.3	+15.8
6	Cough Remedies	16.9	+ 6.9
7	Shampoo	8.3	- 0.2
8	Synthetic Vitamins	7.7	+ 0.1
9	Hair Coloring	12.8	+ 4.0
10	Toothpaste & Powder	16.4	+ 0.3
Food Stores Only			
1	Disposable Baby Diapers	23.8%	+ 1.4%
2	Formula Baby Food	35.9	+ 9.8
3	Internal Analgesics	33.0	+ 7.9
4	Toothpaste & Powder	17.9	+ 3.3
5	Shampoo	10.1	+ 1.6
6	Cold Remedies	11.3	+10.4
7	Sanitary Napkins	17.2	- 7.8
8	Antacids	19.2	+ 8.0
9	Mouthwash	25.2	+13.0
10	Stick Deodorants & Pads	20.3	+ 6.6
Food & Drug Stores Combined Ranking			
1	Disposable Baby Diapers		
2	Internal Analgesics		
3	Formula Baby Food		
4	Cold Remedies		
5	Shampoo		
6	Toothpaste & Powder		
7	Antacids		
8	Sanitary Napkins		
9	Eye Care Products		
10	Cough Remedies		
Source: SAMI			

share of 11.9 percent.

The sales movement trends also differ for food vs. drug stores in most instances, although not dramatically during the 52-week period under scrutiny. In the case of internal analgesics, the dollar growth rate

in both outlets is +7.9 percent and the increase is close among antacids: +8.0 percent in food stores and +8.6 percent in drug stores. Shampoo gained 1.6 percent in food stores but incurred a minor loss of 0.2 percent in drug stores.

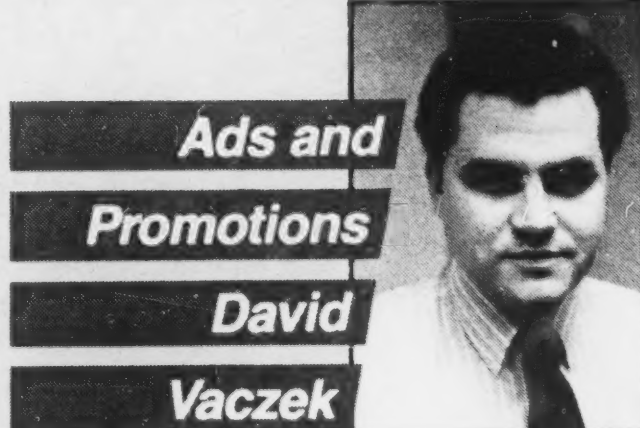
Five of the 60 H&BA product categories tally \$1 billion or more volume in food and drug stores combined. The highest volume is the \$2.4 billion for disposable baby diapers followed by \$1.9 billion for internal analgesics.

FoxMeyer's franchise program adds VISA

FoxMeyer's Health Mart franchise division has launched what seems to be a no-lose program for its expanding network of stores. It's introduced the Health Mart-Visa credit card, an affinity card program which links the franchises with the national credit card company.

One of the program's key benefits to the franchisee, in fact, is the "halo effect" derived from having a joint card with the big credit company, notes Bruce Kneeland, vp-franchise sales.

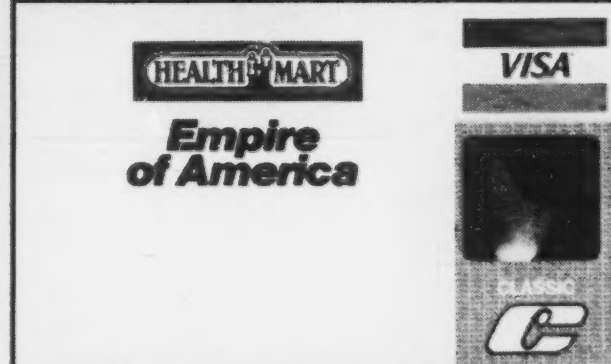
Issued through the American Federal Savings Bank of Buffalo, N. Y., the card lets the customer know their Health Mart store is big enough to work with VISA. That link is reinforced each time the card is advertised, as it was when VISA first direct-mailed membership offers to stores' customers in October. And the Health Mart program (now with 511 stores in 26 states) is promoted every time the



card is used.

So far, 3,200 cards are being used, against a goal of 10,000 cards in 18 months. Once that is reached, Health Mart may opt to insert stuffers, such as private label coupons, into the VISA billing statements and direct mail pieces.

Consumers are courted with a 13.9 percent annual rate. Many customers are expected to transfer credit balances from the store's own credit pro-



FoxMeyer's Health Mart-Visa card helps advertise the Health Mart franchise program.

gram, which would relieve the accounts receivable burden. Stores can receive payment on charges from the bank in less than a week.

Franchisees incur a 1.5- to 3.5-percent transaction fee, which is expected to be offset by reduced receivables and protection from customer default.

The banner, button, and brochure-advertised card draws consumers into

the store and helps them buy more, "a classic pull rather than push" marketing program, says Kneeland.

Giant pledges RX safety Giant Foods, one of the grocery industry's most aggressive pharmacy marketers, is emphasizing its Profile prescription safety service.

Since September, the East Coast chain has advertised Profile and its Giant Discount Drug pharmacies in a campaign that quotes Giant pharmacists on how they handle drug interaction issues. It has run on television and radio and in newspapers covering the Washington, D.C. and Baltimore markets, a company spokesman said.

Pharmacists are quoted about how they've handled specific drug interaction cases in the program, which advertises Profile as a free service that uses the APhA-endorsed drug interaction database.

TRENDS

Mini-labs strengthen drug chains' photo business

Drug chains are leading a wave of experimentation among mass marketers with mini-labs. Following the lead of Eckerd, which today has 126 labs in Florida and Texas stores, chains such as Longs, Genovese, SuperRx of Phoenix, Pay Less NW and Standard Drug are testing installations in select stores.

King Soopers, Denver's combo juggernaut, opened its first mini-lab in January. Mini-labs will be in Jewel-Osco's first Florida stores, the first of which will open in Largo in March. Such experimentation by combos follows the lead of Meijer's Thrifty Acres, which has operated them in its Midwestern super stores for some years now.

The current push by mass retailers is expected to increase the presence of mini-labs. For example, Kodak estimates that mass merchants will account for 17.3 percent of mini-lab film exposure volume in 1990, and 27.3 percent in 1995.

Overall growth is expected to slow from the explosive pace of the past eight years, but will likely reach double digits, the Photo Marketing Association forecast in a recent study. About 15,800 lab installations were forecast for the



Arbor makes its photofinishing statement through free double print program, dubbed Picture Picture.

strengthening this premise becomes even more important.

There is also new technological promise from the

to operate the mini-labs.

"We knew we wanted to be in the business as long as it was profitable for us. It adds a new dimension to the drug store," Tommy Thomas, SuperRx Drug's vp-marketing, told *Drug Store News*. SuperRx launched its first lab in Phoenix a year ago, and now has two.

SuperRx found when it changed from a two-tier to three-tier pricing structure—offering a choice of same-day processing, one-hour and next-day service—that volume rose significantly. Same-day was the most popular, Thomas said.

"The pricing isn't the issue. It's the quality, store hours of operation, and the way you service the people," he added.

His toughest challenge has been training. SuperRx brought in a lab expert to



On-site mini-lab enables Consumers Markets, combo operator in Missouri, to appeal to time-pressed consumers.

run the program. He programs the lab computers, oversees training and maintains contact with the supplier.

Success in the initial store has given birth to rollout plans for three to five new sites a year in affluent neighborhoods, and near business parks and resorts.

King Sooper's first lab went in Jan. 8. "We saw this as an opportunity to capture more of the [photofinishing] market, and extend our one-stop shopping concept," said Pat Greaser, director of general merchandise. Greaser uses the lab strictly for one-hour processing with other needs handled by wholesale processing.

He's assessing the labor pool along with this effort because "you have to have a training program to absorb turnover. We offer benefit

packages better than the independent [mini-lab] operators," Greaser noted.

Genovese also feels a major concern will be retaining enough qualified people—two-and-a-half full-time equivalents per store—to operate the mini-lab 84 hours a week, Don Gross, vp-marketing, told *Drug Store News*.

The New York chain of 89 stores has so far installed three mini-labs, one of which is in a photo retail store at its photo processing plant. Another is in a mall store, with the lab by the front

Continued on page 19

Overall growth is expected to slow from the explosive pace of the past eight years, but will likely reach double digits.

end of 1988, 18,000 by the end of this year, and 20,100 by year-end 1990.

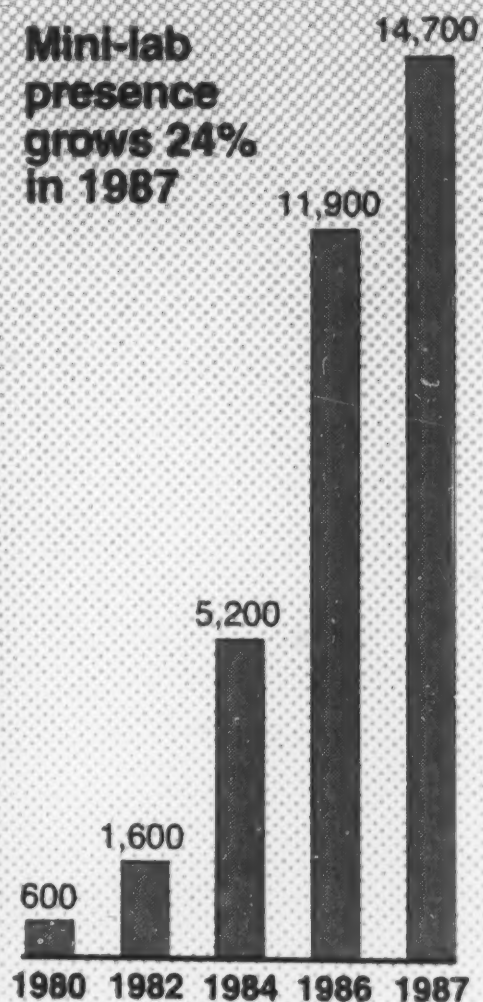
Drug chain merchandisers report early successes, with mini-labs exceeding their performance targets. Executives view the mini-labs as a viable way to reinforce the image of drug stores as outlets for photographic products and processing. As consumers shoot more film,

makers of mini-labs, such as Noritsu, Fuji, Copal, Kodak and Print Technology. New units are more automated, more efficient and easier to use.

Yet chain drug executives responsible for photofinishing see key challenges ahead—not the least of which is ample staffing and training to assure that skilled people are available



Revco's new film counter uses assisted self service to speed sales of film and film development. Customers may either drop envelope with exposed film in slot or ask for help from checkout clerk. Finished print orders are stored alphabetically behind the counter. Development prices and schedules are posted conveniently on wide, glass-topped counter.



Source: Photo Marketing Association

Photo merchandising

TRENDS



Chains often promote cameras, film and accessories together to emphasize their commitment to the category. Camera prices are almost always kept under \$100, and 35 mm models are regularly featured, as in Thrifty's ad. But the 110 format remains strong, and Walgreens and Genovese were among those recently promoting 110 cameras by Vivitar and Kodak. Eckerd pushes discount coupons on photoprocessing, along with a four-camera selection of 35s from Canon and Keystone. Peoples puts out a varied offer.

Drug stores are the second-leading outlet for film purchases

(Where consumers said they bought film in the 12 months ended Dec. 1987; percentage of total response*)

Discount store	66.4%
Drug store	56.7
Supermarket	41.4
Camera store	16.1
Department store	14
Giant combo store	13.7
Convenience store	13.6
Mail order	8.9
Other	27.9

*Numbers total more than 100 due to multiple responses

Source: 1988 Consumer Photographic Survey, by the Photo Marketing Association and Photo Marketing Magazine.

Mini-labs

Continued from page 17
window for extra visibility. The mini-lab could become an anchor for a consolidated photo department which makes a stronger statement, Gross said.

Industry observers expect that smaller and easier-to-use labs being introduced, along with the "washless" technology, which makes leasehold improvements less necessary and labs more mobile, will fuel brisk growth.

Costs and space needs are coming down. On average, a 45-square-foot lab that processes 40 rolls an hour cost \$100,000 seven years ago; today that lab is 22 square feet and costs \$50,000.

"A lot of merchants have realized they want to be associated with the business; doing out-lab work isn't enough," says Joe Welsh, Fuji's product manager, photo finishing equipment, consumer products division.

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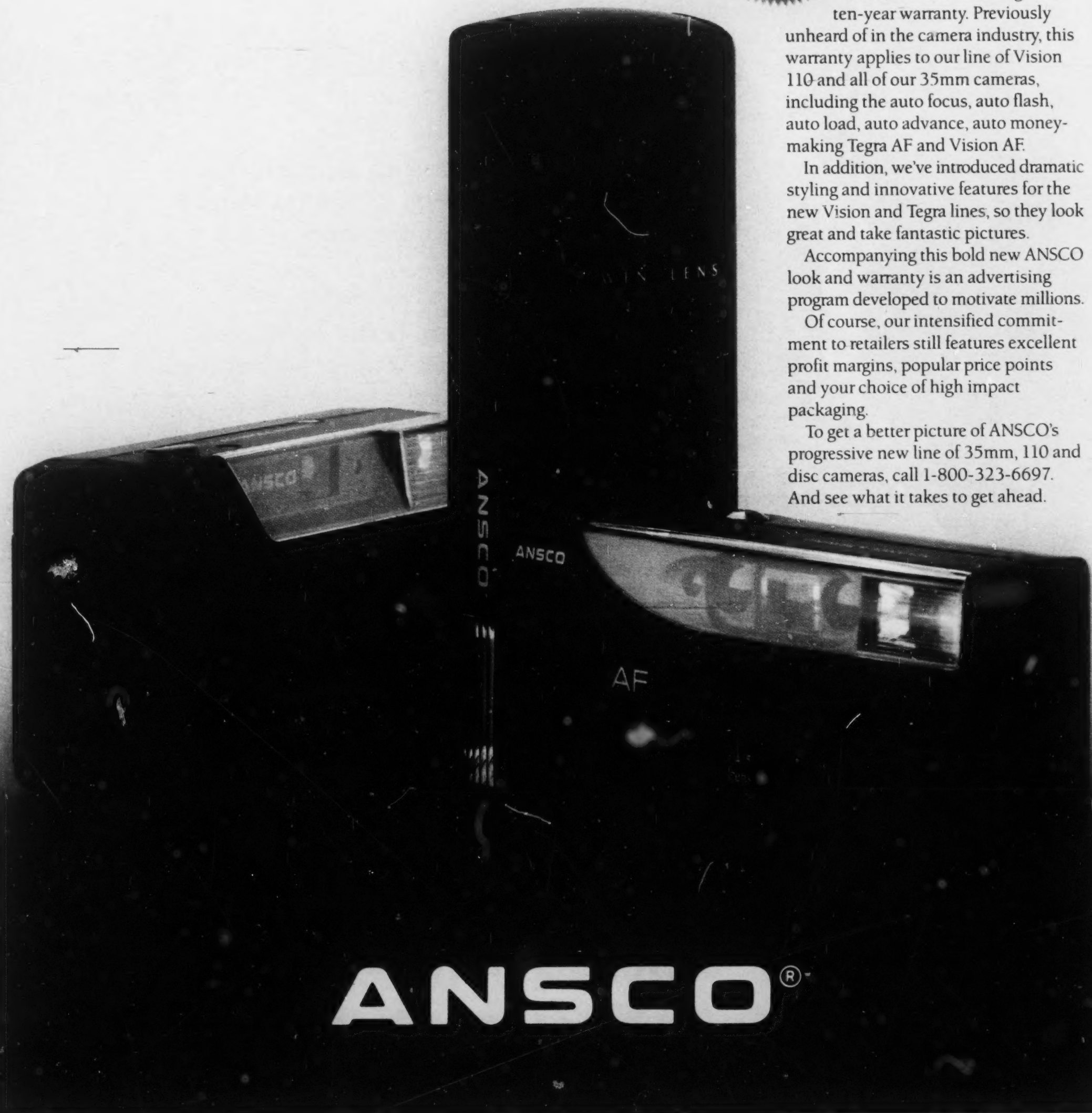
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Gerald DaVanzo, R.Ph., owner of Worlds Fair Pharmacy, Flushing, N. Y., ran this ad in *New York Newsday* two weeks before Christmas and has extended the promotion until the end of this month. So far, the store has given away 125 NovolinPens to diabetics who have a prescription for it and purchase one vial of Novolin N, Novolin R or Novolin 70/30 insulin used specifically with the pen. "The response rate has been mostly from busy young men and women who work, and take multiple insulin doses per day," DaVanzo said.

Smart consumers tapping drug stores for their diabetes testing kit needs

NEW YORK — Self monitoring of blood glucose is the latest technological advance in diabetes test kits sold in drug stores, and according to drug retailers, millions of Americans purchase them each year despite their higher-than-average price tag.

An estimated 11 million Americans have the disease, according to the American Diabetes Association. With self-tests, diabetics can obtain their blood sugar levels many times a day, if necessary, and fine tune adjustments in their insulin and food intake.

More good news for drug stores is that with baby boomers having a high level of education, sophisticated diabetic consumers are among the most willing and able to buy these units and keep a watchful eye on their metabolism.

In a recent *Drug Store News* survey, 45 percent of retailers polled saw diagnostic test kits as one of the hottest merchandising categories in 1989, with a 20.8-percent increase in sales.

Sales of blood glucose testing kits reached \$114 million in 1988, according to Pipeline Research, which tracks monthly drug warehouse withdrawal data. Blood glucose meters tallied over \$29 million in sales during the 12 months ending December 1988.

Most retailers told *Inside Pharmacy* that they've seen an increase in glucose test kit sales. "The trend in moving from urine testing to blood glucose testing has contributed to a growth in the field," said Cary Levy, pharmacy supervisor for Concord Wrigley Drugs, an 11-store chain based in Pontiac, Mich.

Retailers also said manufacturers' rebates are winning consumers over. Allen C. Purdy, H&BA buyer at Taylor Drugs which operates 56 stores

in the Louisville, Ky. area, said sales for kits at the chain increased 50 percent.

"Generous rebate offers from manufacturers, coupled with attractive sale prices at retail, have made these units affordable to most consumers," he said.

Levy at Concord Wrigley agreed. "With manufacturer rebates, consumers can now buy some glucometers for under \$100; a couple of years ago they couldn't be bought for less than \$200," he said.

Concord Wrigley merchandises 16 feet of diabetic products. The mix includes alcohol swabs, glucose testing kits and products offered by Accu-Chek and Ames.

"We're moving the department out from behind the phar-

macy counter in most of our stores," Levy said.

At the St. Louis-based Medicine Shoppe, Tim Bayer, director of product distribution, said its 3- to 4-foot linear section of diabetic products is kept behind the pharmacy counter. This way the pharmacist can monitor what is being sold and be available for consultation.

Medicine Shoppe promotes the section by doing in-store screenings and working with area health care professionals. "With the screenings, we try to create awareness for consumers, to say it's important for them to test on a regular basis,"

Bayer said.

Taylor's diabetic section averages 3 feet, and includes reagent strips, reagent tablets, lancet refills and alcohol swabs and related accessories by Ames and products for use with the Accu-chek monitor.

Purdy said the kits and syringes (which do not require a prescription in the chain's trading areas of Kentucky and Indiana) are kept behind the pharmacy counter for security reasons, but they are highly visible to consumers because of eye-level shelving. "We also display rebate offers at checkout to enhance sales," he said.

One hot product at Taylor is the Ames Glucometer II with memory. Purdy attributes its popularity to the unit's accuracy, price, rebate offers, doctor's endorsements, and pharmacist's suggestive selling. The same is true of Glucostix reagent strips.

Blood glucose meters are a large portion of today's testing kit sales in drug stores. The diabetes category at Concord Wrigley is "pretty competitive," said Levy, even though insulin and needles are sold close to cost. Concord Wrigley's margins are around 15 percent.

Top 10 blood glucose test strip kits

(sales nationwide in dollars)

	1988	Share	1987	Share	% change
Chemstrip test strips	\$74,420,357	65.4%	\$60,703,145	67.1%	+ 23%
Glucostix	28,522,726	25.1	20,083,191	22.2	+ 42
Dextrostix reagent strip	7,003,257	6.2	8,368,031	9.2	- 16
Tracer BG test strip 50	1,167,638	1.0	9,766	.0	*
Total Exactech strips 50	1,046,079	.9	**	**	**
Visidex II reagent strip	983,708	.9	1,254,077	1.4	- 22
One touch strips 50	556,239	.5	**	**	**
Beta Scan trend strip	47,640	.0	43,961	.0	+ 8
Glucoscan test strip	32,507	.0	59,998	.1	- 46
Beta Scan reagent strip	2,032	.0	1,904	.0	+ 7

* % increase exceeds 999%
** product introduced in 1988

Source: Pipeline Research, a service of the IMS Consumer Products Division, Totowa, N.J.

Top blood glucose monitors

(sales nationwide in dollars)

	1988	Share	1987	Share	% change
Glucometer II + M	\$12,658,781	43.4%	\$10,313,482	49.6%	+ 25%
Accu-chek II	10,611,426	35.8	10,285,424	49.5	+ 3
One Touch	2,135,847	7.2	**	**	**
Total Exactech meter	1,826,748	6.2	**	**	**
Tracer	1,687,155	5.7	180,975	.9	+ 832
Chemstrip Matchmaker	526,474	1.8	**	**	**
Beta Scan Trendsmeter	3,105	.0	10,800	.1	- 71
Glucoscan 3000 Lifescan	2,588	.0	**	**	**

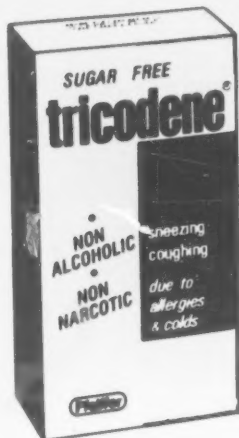
** product introduced in 1988

Source: Pipeline Research, a service of the IMS Consumer Products Division, Totowa, N.J.

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Tricodene
Cough and Cold Medication

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PHARMACY

DrSN Health Screening Survey

Survey: Chains keep pace with growing demand for health screening services

By Susan Ball

Drug store operators know a good thing when they see it.

In the 1970s, Americans were worried about hypertension. Pretty soon, screenings and machines to monitor blood pressure began popping up in pharmacies all over the country.

Today, thanks to technological advances, drug stores are able to respond to Americans' heightened health consciousness with other moni-

toring services: cholesterol and diabetes screenings, vision and hearing tests, foot screenings—and the possibilities are growing.

For example, the three leading manufacturers of desktop analyzers, whose capabilities include cholesterol measurement, say the market for their instruments is growing—one vendor estimated by as much as 25 percent a year. And that market may get a boost from the public's in-

creasing demand for a complete lipid profile.

"It's an emerging market, especially in the drug store sector," said one vendor.

How widespread are all these types of screenings in drug chains?

To find out, *Drug Store News* conducted a survey of the top 100 (sales volume) chains. (See methodology box.) We learned that:

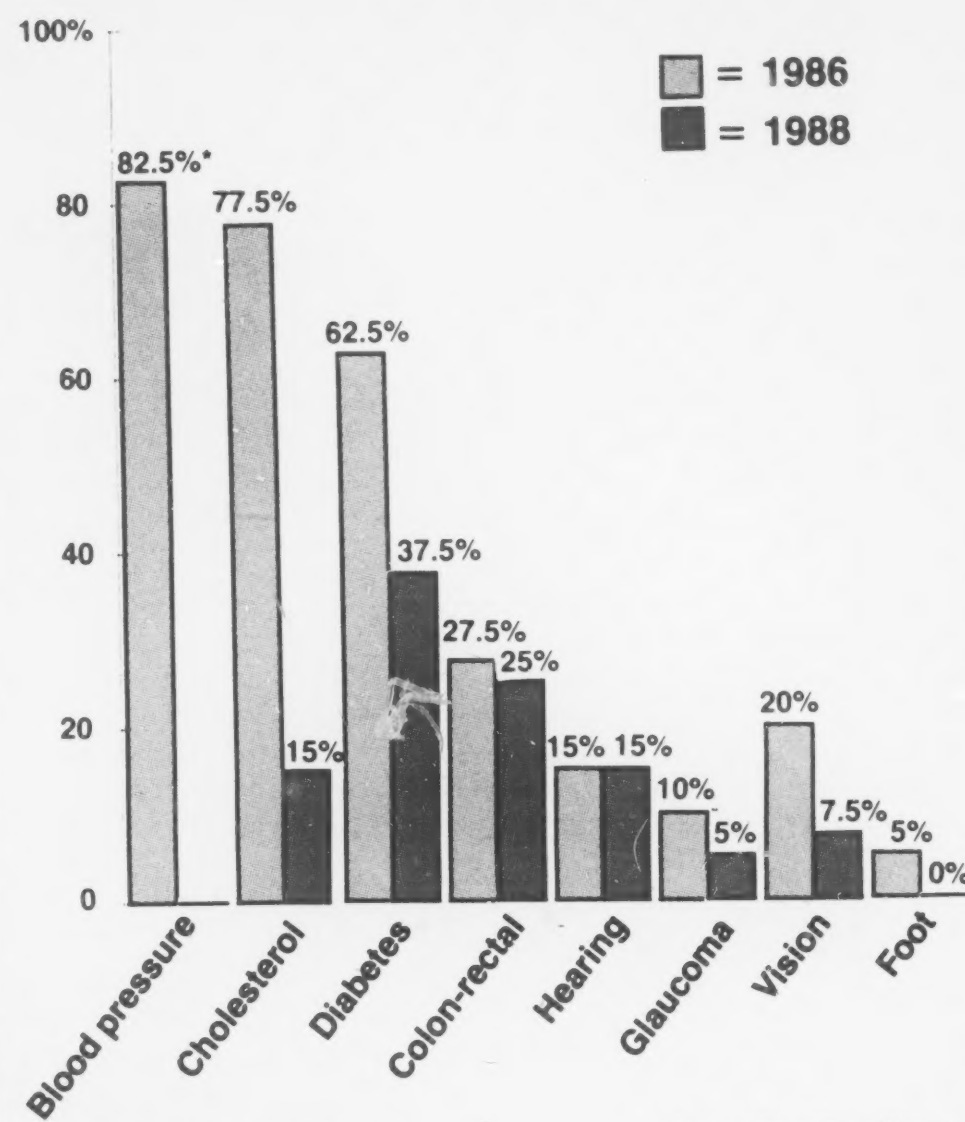
- Cholesterol screenings are up significantly in drug chains: More than four times as many chains responding to the survey offer them now than in 1986. The percentage of a chain's stores involved in cholesterol screenings averages 66 percent.

- Diabetes screenings are also on the rise: 62.5 percent of respondents offer them now, vs. 37.5 percent two years ago. The average store involvement per chain is 64 percent.

- A growing number of chains are offering vision and glaucoma testing, while chains offering colon rectal screenings and hearing tests

Chains step up screening programs

(Percentage of chains responding that offered screenings: 1986 vs. 1988)



Source: Drug Store News survey

How often chains offer screenings

(percentage of respondents offering type of screening)

	4 or more times a year	Once or twice a year	Less frequently
Cholesterol	58%	36%	6%
Diabetes	37	48	15
Colon rectal	15	25	60
Hearing	17	17	66
Glaucoma	8	0	92
Vision	25	13	62
Foot	9	0	91

Source: Drug Store News survey

Why chains offer screenings

(Percentage of chains that ranked each of the following as #1 reason)

Reason	% ranking it #1
Contributes to health care image	58%
Builds traffic in stores	26
Brings in new customers who continue to visit store	14
Contributes to sales	1
Responding to customer requests	1

Source: Drug Store News survey

Average customer participation in screenings, per day, in a store

Type of screening	Customers (average number)
Cholesterol	107
Diabetes	69
Vision	69
Colon rectal	58
Glaucoma	25
Foot	25
Hearing	19

Source: Drug Store News survey

have remained about constant. Few are venturing into foot screenings.

- Not surprisingly, a big majority of respondents—82.5 percent—offer blood pressure monitoring.

More than half of chain respondents say contribution to

their health care image is the number one reason they offer screenings. Traffic-building got top ranking the next most often.

Although 83 percent of chain respondents offering screenings charge a fee, most are looking to cover costs, rather than make a profit. The fee averages out to \$6.28, but some chains might offer vision testing free, while charging for cholesterol screenings. Fees ranged from no charge to \$12 among respondents.

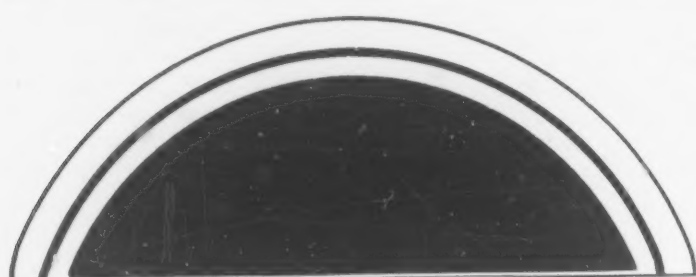
Chains seem to see cholesterol screening as a service to offer more frequently than other types of screenings. Fifty-eight percent of those offering cholesterol screenings do so four or more times a year, whereas 37 percent of chains that offer diabetes

Continued on page IP31

Methodology of the survey

Drug Store News mailed questionnaires to the top 100 (sales volume) chain drug stores in an effort to determine the scope of chains' involvement in health care screenings. A total of 40 chains responded, a 40 percent response rate.

The types of screenings surveyed include cholesterol, diabetes (glucose), colon rectal, hearing, glaucoma, vision and foot screenings. Because blood pressure machines and screenings are known to be common in chain stores nationwide, only two of the 17 questions pertained to this service: Whether chains offer blood pressure measurement (82.5 percent of respondents said they do), and in what percentage of their stores it is offered (in an average of 65 percent of a chain's stores).



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DrSN Health Screening Survey

PHARMACY

Survey focuses on screening services

Continued from page IP30
screenings have them that frequently.

Diabetes screenings are the most likely to be tied to a special event, such as a national awareness week. Some chains offer screenings primarily at health fairs, and a few use screenings to draw attention to store openings.

Chains indicated they often work with outside groups to put on screenings, especially for cholesterol and diabetes. In the case of cholesterol screenings, 17 of the 24 respondents who work with an outside group cited "turn-key" companies as the group they use. Diabetes screenings are sometimes done in collaboration with a screening instrument manufacturer. A few chains turn to labs or hospitals for assistance with screenings, or co-sponsor them with a community organization.

Rx'er involvement

Pharmacist participation in screening programs varies widely. One chain said its pharmacists play almost no role, because of lack of time.

WIPA unhappy with settlement of Samaritan suit

MILWAUKEE — The case between the Wisconsin Independent Pharmacists Association (WIPA) and Samaritan Health Plan has been settled, but WIPA is not quite satisfied.

The suit filed by WIPA, a 280-member group of independents, sought monetary damages and an injunction to prevent the HMO from terminating its contract with the group.

"When the initial day at court came, the judge never came out of chambers," said Dick Labott, president of WIPA. "He said he preferred to settle out of court without a lot of legal input."

Disappointed with terms

Labott said he was disappointed with the terms of the agreement, which did award \$100,000 to WIPA for damages, but failed to uphold the three-year contract between WIPA and Samaritan.

"We wanted enforcement of the contract," Labott said, "but the judge felt that two parties should not be forced to do business if one of the parties didn't want the contract."

Even the monetary compensation failed to satisfy WIPA, according to Labott. "When based on the numbers of the former contract," said Labott, "the figure was reasonable. But in the long run, we lost."

WIPA will no longer be providing services to Samaritan's 98,000 enrollees.

But while a few chains (12 percent) said screenings are handled almost exclusively from headquarters, more than half (61 percent) said pharmacists play a role in answering screening customers' questions and counseling them. (Only one respondent, however, said pharmacists give customers their screening results, and two others

said pharmacists help with further health care referrals.) One-third of chains with screening programs said pharmacists help promote the screenings, and about one-fourth said pharmacists help with logistics, such as scheduling.

Finally, chains were asked what kind of response the screenings had drawn from

customers, physicians or others. A majority (67 percent) said customer response had been positive, and 33 percent said doctors had reacted positively, with one respondent saying doctors even sent patients to the screenings.

But 18 percent of respondents who offer screenings reported getting some negative feedback, and half of this group mentioned criticisms of cholesterol screenings specifically.

For example, some doctors voiced concern over follow-up and referral, and in at least one instance, lab technicians questioned the accuracy and reliability of cholesterol screening results. One chain respondent said follow-up letters were sent to doctors who had questioned the value of screenings.

In addition, one respondent said blood pressure screenings had drawn some questions about equipment accuracy.

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